

BEFORE THE MISSISSIPPI REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD

MISSISSIPPI REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD

COMPLAINANT

VS.

CAUSE NO.: AMC 03-1503

REAL SHIELD, LLC (AMC-094)

RESPONDENT

AGREED ORDER

THIS cause came before the Mississippi Real Estate Appraiser Licensing and Certification Board, sometimes hereinafter referred to as "Board," pursuant to authority of The Real Estate Appraiser Licensing and Certification Act, Miss. Code Ann. §§73-34-1, *et seq.*, and the Mississippi Appraisal Management Company Registration Act, §§73-34-101, *et seq.*, following issuance of a formal Notice of Hearing and Complaint served upon Respondent Real Shield, LLC, sometimes hereinafter referred to as "Respondent" or "Real Shield," a Mississippi registered appraisal management company, Registration No.: AMC-094. Prior to this matter coming before the Board for hearing, the Board and Respondent Real Shield announced the intent of Respondent Real Shield not to contest the allegations within the Board's Complaint and agreement as to disciplinary action thereon. By entering into this Agreed Order, Respondent Real Shield waives the right to a hearing with full due process and the right as may be available to petition for appeal from any adverse decision resulting from a hearing. Having reached an agreement with Respondent Real Shield in this matter, the Board issues its Findings of Fact, Conclusions of Law and Disciplinary Order as follows:

FINDINGS OF FACT

I.

Complainant Mississippi Real Estate Appraiser Licensing and Certification Board is charged by law with the regulation of the practice of real estate appraisal in Mississippi, including matters relating to the registration and operation of appraisal management companies, and disciplinary functions pursuant to §§73-34-1, *et seq.*, §§73-34-101, *et seq.*, and the Rules and Regulations of the Board. Pursuant to this authority, the Board has full, complete and proper jurisdiction over the parties and subject matter herein.

II.

Respondent Real Shield, LLC is an appraisal management company registered to conduct business in Mississippi, principal place of business of which is registered with the Board as 9126 S. Sheridan Rd., Tulsa, Oklahoma 74133. Respondent is the holder of an appraisal management company registration in Mississippi, No. AMC-094, first issued on May 8, 2014 by the Board pursuant to Miss. Code Ann. §§73-34-101, *et seq.*, and, as such, Respondent is subject to all of the provisions, rules, regulations and statutes governing the conduct and operation of appraisal management companies under Mississippi law.

III.

On or about March 31, 2015, the Board received a sworn complaint from an appraiser, Sharon Richardson (sometimes hereinafter "Richardson"), wherein Richardson alleged she had been improperly removed from an appraisal assignment. In essence, Richardson alleged that a Mississippi real estate licensee had interfered to have an appraisal assignment for which Richardson had been engaged reassigned because Richardson was not a member of the local multiple listing service ("MLS"). The subject appraisal assignment was ordered for a property

located at 2961 Culkin Rd., Vicksburg, Mississippi 39183. Richardson was engaged for the appraisal assignment by Respondent Real Shield, LLC on behalf of lender American Southwest Mortgage D/B/A Red Rock Mortgage. Thereafter, the Board initiated an investigation of Richardson's sworn complaint.

IV.

In the course of the investigation, the Board received a copy of a document from Richardson bearing an identifier of "Order Details" generated from Respondent Real Shield who had assigned the appraisal to Richardson. The document reflected that Richardson had accepted the appraisal assignment on February 16, 2015. The same document reflects that Richardson's assignment was cancelled the next day, February 17, by Real Shield employee Pat Roberts and included a notation the assignment was "cancelled by the lender" American Southwest Mortgage/Red Rock.

V.

In the course of its investigation, the Board requested Real Shield provide "any information related to that cancellation request" to the Board. The Board also requested information from the lender, American Southwest Mortgage/Red Rock, related to the cancellation of Richardson's appraisal assignment. Further, the Board inquired whether Real Shield had any policy that required an appraiser to have access to a local MLS. Respondent Real Shield responded that MLS access "is not a requirement."

VI.

In response to the Board's inquiry regarding the cancellation of Richardson's appraisal assignment, Respondent first responded that Richardson's appraisal assignment had been cancelled because Richardson was not on Real Shield's approved appraiser list. Later, on or about

May 7, 2015, Respondent Real Shield claimed to have no record to explain the cancellation of the appraisal assignment other than to state that the assignment was cancelled at the request of the lender.

VII.

Subsequently, the Board obtained information from the lender American Southwest Mortgage/Red Rock regarding the cancellation of Richardson's appraisal assignment. Correspondence received from the lender, American Southwest Mortgage, explained that "ASMC does not have a policy stating that an appraiser must have access to MLS in order to complete an appraisal." The lender confirmed that the real estate licensee in the transaction had called the lender's retail manager in its Mississippi office (Sean Cornwell with Red Rock Mortgage) to inform him that the appraiser did not have access to the MLS. Cornwell then "called and informed [Real Shield] of this information."

VIII.

Thereafter, the Board obtained additional information related to the cancellation of Richardson's appraisal assignment by Respondent Real Shield. Contrary to Respondent Real Shield's May 7, 2015 statement that Respondent had no record of why the order was cancelled, the Board obtained a copy of email correspondence dated February 17, 2015 between Sean Cornwell of American Southwest Mortgage/Red Rock and Pat Roberts, an employee of Respondent Real Shield. In that correspondence, dated the same day as the cancellation of Richardson's appraisal assignment, Real Shield employee Pat Roberts informed the lender representative of a conversation she had just completed with "Jim Hobson," a representative of the local MLS at issue. Pat Roberts described a conversation with Hobson regarding allegations suggesting improper access of the local MLS by Richardson. This February 17, 2015 correspondence was not disclosed to the Board by Respondent Real Shield during the Board

investigation. The substance of the referenced email evidenced actions by Respondent Real Shield to cancel Richardson's appraisal assignment as the result of interference by one or more members of the local MLS. Evidence of this communication regarding the cancellation of Richardson's appraisal assignment directly contradicts the response given by Respondent Real Shield to the Board that Real Shield had "no record of why the order was cancelled."

IX.

During the Board investigation of the appraiser Richardson's complaint regarding the cancellation of her appraisal assignment, the Board received statements from both Respondent Real Shield and the lender, American Southwest Mortgage/Red Rock, reflecting that there was no policy in place requiring an appraiser to be a member of the local MLS. Ultimately, the Board obtained a copy of the appraisal order/assignment information for the appraiser engaged to complete the referenced appraisal following cancellation of Richardson's appraisal assignment by Respondent Real Shield. The referenced "assignment information" from Respondent Real Shield's assignment system contained a section for "Additional comments or instructions to the [appraiser] vendor." The additional instructions from Real Shield stated "Lender requires appraiser to be member of local MLS." These instructions are contrary to Respondent Real Shield's response to the Board during its investigation and contrary to the statement of American Southwest Mortgage/Red Rock that this lender does not require appraisers to be members of a local MLS.

CONCLUSIONS OF LAW

X.

The Board finds the above and foregoing described actions and conduct of Respondent Real Shield, LLC constitute violations of the *Mississippi Appraisal Management Company*

Registration Act, Miss. Code Ann. §73-34-101, *et seq.*, and more specifically Miss. Code Ann. §73-34-117(2), §73-34-119, and §73-34-125(a)(ii) and (f), which provide, in relevant parts:

Miss. Code Ann. §73-34-117

(2) Each appraisal management company doing business in this state shall certify to the commission on an annual basis that it has a system in place to require that appraisals are conducted independently and free from inappropriate influence and coercion as required by the appraisal independence standards established under Section 129E of the Truth in Lending Act...

Miss. Code Ann. §73-34-119

Each appraisal management company doing business in this state shall certify to the board on an annual basis that it maintains a detailed record of each service request that it receives...

Miss. Code Ann. §73-34-125

It shall be a violation of Sections 73-34-101 through 73-34-131 for any employee, partner, director, officer or agent of an appraisal management company to:

- (a) Influence or attempt to influence the development, reporting, result or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery or in any other manner, including, but not limited to:

- (ii) Withholding or threatening to withhold future business from an appraiser, or demoting, terminating or threatening to demote or terminate an appraiser;

- (f) Fail to fully cooperate in any board investigation.

DISCIPLINARY ORDER

XI.

The Board, by Respondent Real Shield, LLC's agreement and consent, hereby orders and imposes discipline as follows:

- A) The registration of Respondent Real Shield, LLC to conduct business as an appraisal

management company in Mississippi, No. AMC-094, shall be suspended for thirty (30) days, held in abeyance. During the period of suspension in abeyance, Respondent Real Shield, LLC shall be permitted to conduct business as an appraisal management company in Mississippi provided it complies with all applicable laws governing the operation of appraisal management companies in Mississippi, the rules and regulations of the Board, and all other terms of this Agreed Order.

B) The Board finds that a civil penalty shall be assessed against Respondent Real Shield, LLC in the total amount of \$7,500.00 (Seven Thousand Five Hundred Dollars) which shall be remitted by cashier's check or certified funds made payable to the Mississippi Real Estate Appraiser Licensing and Certification Board, and remitted within thirty (30) days of the date this Agreed Order is executed by Respondent.

This the 8 day of March, 2017.

MISSISSIPPI REAL ESTATE APPRAISER LICENSING
AND CERTIFICATION BOARD

By: Michael E. McGee
MICHAEL E. MCGEE
Deputy Director

AGREED:

REAL SHIELD, LLC

By: [Signature]

Print Name: Don Tatro

Its: President

Date: 2/7/17

